Office-Supreme Court, U.S.
FILED
SEP 26 1963
JOHN F. DAVIS, CLERK

In the

Supreme Court of the United States

OCTOBER TERM 1963

No. 374

AMERIO CONTACT-PLATE FREEZER, INC., *Petitioner*,

vs.

BELT-ICE CORPORATION and FRANK W. KNOWLES, *Respondents*.

BRIEF OF RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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STATEMENT OF THE CASE

Respondents hereby incorporate by reference the facts as found by the District Court and as concurred in by the United States Court of Appeals for the Ninth Circuit and set forth in its opinion reprinted in the appendix to petitioner's brief beginning at page 22. Respondents do not adopt the interpretations of the facts set forth in petitioner's statement of the case appearing at pages 4 through 9 of its brief because such interpretations are wholly inconsistent with the findings of the District Court, concurred in by the Ninth Circuit.

REASONS FOR DENYING THE PETITION

In this case the Court of Appeals could not have reversed unless the findings of fact of the trial court are "clearly erroneous." Rule 52(a), Rules of Civil Procedure.

Instead the circuit court strongly affirmed the findings of the trial court, thus bringing into play the rule of this court that where the facts "have been found in favor of the respondent by both courts below, we do not review them." *Page v. Arkansas Gas Corp.*, 286 U.S. 269, 271.

This court has consistently followed the practice of declining to review facts found by both lower courts of the federal system. And the court has frequently stated that the "concurrent findings of the two lower courts will be accepted without re-examination of the evidence." *Just v. Chambers*, 312 U.S. 383, 385; *Allen v. Trust Co. of Georgia*, 326 U.S. 630, 636; *Comstock v. Group of Institutional Investors*, 335 U.S. 211, 214; *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U.S. 271, 275; *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147, 153.

Petitioner here attempts to present to the court "facts" which are hypothetical in nature and drawn from interpretations of testimony inconsistent with the findings of the trial court, which findings were concurred in by the Court of Appeals for the Ninth Circuit.

In short, petitioner is here asking the Supreme Court of the United States to undertake a review of the facts found by the district court and determined to be supported by the evidence and not clearly erroneous by the U.S. Court of Appeals for the Ninth Circuit. As before noted, this court will not undertake the task of determining facts, where both courts below have agreed on the facts.

No Conflict in the Circuits; No Important Federal Question

Petitioner has indicated in its brief that there is a conflict in the courts of appeals regarding the "on sale" provision of 35 U.S.C. § 102(b). Petitioner has also indicated that there is here presented an important question of federal law which has not been, but should be, settled by this court.

Petitioner has sought to construct a "conflict" between the circuits, and has likewise sought to construct an "important question of federal law" which should be settled by this court, but in both instances petitioner's efforts are to no avail.

To establish a "conflict," petitioner relies upon the district court case of *Philco Corp. v. Admiral Corp.* (D.C. Del. 1961) 199 F.Supp. 797, and *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 2 Cir., 153 F.2d 516.

Respondents are not aware of any appeal in the *Philco* case. At least, to respondents' knowledge and available information, no decision by the appropriate court of appeals has been issued or published. Petitioner therefore, in effect, seeks review in this instance of an apparently unappealed district court case and relies upon that case as a basis for its claim that there is a "conflict" in the "circuits."

Reliance is also placed upon *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 2 Cir., 153 F.2d 516, but that case involved the commercial use of a process and a competitive exploitation of the process before application for a patent, whereas no commer-

cial use of the Knowles freezer in this case was mechanically possible until after May 23, 1951, the critical date, and the district court so found (Finding of Fact No. 26; R. 85). Thus, the *Metallizing* case relates to the commercial use of a process, a point wholly different and in no way related to the question of sale of a machine presented to this court.

It affirmatively appears, therefore, that the "conflict" which petitioner has sought to construct is without substance.

As for the "important question of federal law" which petitioner claims is presented by this petition, this court, as early as *Egbert v. Lippmann*, 104 U.S. 333, passed upon the "public use" aspect of 35 U.S.C. § 102(b), the court stating (at [redacted] 336):

> "If an inventor, having *made* his device, gives or sells it to another, to be used by the donee or vendee, without limitation or restriction, or injunction of secrecy, and it is so used, such use is public, even though the use and knowledge of the use may be confined to one person." (Italics supplied)

The *Lippmann* case recognizes and affirms the rule that a machine or device must be in its fully manufactured form and used for its intended purpose in order to constitute a "public use."

As for the "on sale" aspect of the rule, the decisions of the courts of appeals of the various circuits have a persuasive unanimity requiring that for a patented article to be "on sale," it must have been manufactured in its perfected form and available for use. *Magee v. Coca-Cola Company*, 7 Cir., 232 F.2d 596; *B. F. Sturtevant Co. v. Massachusetts Hair & Felt Co.*, 1 Cir.,

124 F.2d 95; *Burke Electric Company v. Independent Pneumatic Tool Co.*, 2 Cir., 234 Fed. 93; *Wende v. Horine*, 7 Cir., 225 Fed. 501; *McCreery Engineering Company v. Massachusetts Fan Company*, 1 Cir., 195 Fed. 498.

The reported decisions of the district courts reflect the same rule. *Trico Products Corporation v. Delman Company* (D.C. Iowa) 199 F.Supp. 231; *Chicopee Manufacturing Corp. v. Columbus Fiber Mills Co.* (D.C. Ga.) 165 F.Supp. 307; *F. E. Myers & Bro. Co. v. Goulds Pumps* (D.C. N.Y.) 91 F.Supp. 475; *Connecticut Paper Products v. New York Paper Company* (D.C. Md.) 39 F.Supp. 127. The rule is set forth at 69 C.J.S. Patents, § 78(d), at pages 366-367.

In light of the uniformity in the holdings of the lower federal courts, respondents do not believe there is present here an "important question of federal law" which needs to be settled by this court.

Review of Hypothetical Questions

Moreover, petitioner has here raised only hypothetical questions, which could be raised only on the basis of petitioner's special interpretation of evidence in the case inconsistent with the findings deduced from the evidence by the district court, which findings have been approved and concurred in by the U.S. Court of Appeals for the Ninth Circuit.

For example, petitioner contends that the mock-up was shown for the purpose of soliciting orders (Brief, pp. 10 and 12). The district court found, and the court of appeals agreed, that there was no completed prototype prior to May 23, 1951, and that the display of the

mock-up was to elicit needed changes in design and to test the market potential (Opinion of the U.S. Court of Appeals for the Ninth Circuit, Appendix to Petition, pp. 32 and 33).

Petitioner contends that the construction of two freezers was for Evergreen Frozen Foods Company (Brief, p. 5). In actuality, the two machines were built "for stock," and the appellate court recognized such finding of the district court (Opinion, Appendix, p. 28).

Petitioner contends that a contract of sale was completed prior to the critical date of May 23, 1951 (Brief, pp. 6, 7, 12, and 15). The court of appeals, in analyzing and affirming the determination of the trial court, confirmed the finding that no contract of sale was entered into prior to May 23, 1951 (Opinion, Appendix, p. 28).

Petitioner also contends that a freezer was completed prior to the critical date of May 23, 1951 (Brief, pp. 8, 12, 13, 16 and 19). The district court found and the court of appeals concurred in the finding that no freezer was completed prior to the critical date (Opinion, Appendix, pp. 22 and 26).

Petitioner likewise contends that a completed machine was tested satisfactorily prior to the critical date of May 23, 1951 (Brief, pp. 9, 12 and 19). The trial court found and the court of appeals approved the finding that no freezer had been completed and successfully tested prior to the critical date (Opinion, Appendix, p. 25).

Review of Determinations Not Appealed

Petitioner also seeks review of contentions presented to the trial court in Civil Action No. 5092, upon which the district court ruled adversely to petitioner and from which petitioner did not appeal. Petitioner now seeks to raise questions decided by the final judgment in Civil Action No. 5092 for consideration by this court.

The Court of Appeals for the Ninth Circuit considered the questions and held that the determination of the questions is *res judicata* since no appeal was taken in Civil Action No. 5092 (Opinion, Appendix pp. 33-35).

CONCLUSION

For the reasons set forth above, it is respectfully submitted that the petition for a writ of certiorari should be denied.

Respectfully submitted.

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